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National Extension Service

and

Community Development Programme

during the

Second Five Year Plan

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No. CP. 56

GOVERNMENT OF INDIA

COMMUNITY PROJECTS ADMINISTRATION

New Delhi, July 10, 1956.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATE GOVERNMENTS (EXCEPT N.E.F.A.)

SUBJECT.—*Community Development and National Extension Service Programme in the Second Five Year Plan period.*

SIR,

Will you please refer to this Administration's letter No. CPA/13(1)/P/56, dated January 21, 1956, on the above subject ? A revised tentative programme for Community Development and National Extension Service within the approved allotment of Rs. 200 crores allocated in the Second Five Year Plan was considered at the Fifth Development Commissioners' Conference held at Nainital in May last. A copy of the note on the subject, together with the recommendations of the Conference, is attached (Annexure A). These have been approved by the Central Committee. Salient points are briefly indicated in the following paragraphs.

2. The entire country will be covered with the National Extension Service during the Second Five Year Plan period. Not less than 40% of the National Extension Service Blocks will be converted into Community Development

Blocks. The year-wise phasing of the programme for the country as a whole will be as follows :—

Year	No. of N. E. S. Blocks	No. of N. E. S. Blocks to be converted into C. D. Blocks	Remarks
1956-57	500 plus *172	*250	* Allotted towards the end of 1955-56 with the stipulation that the Programme would be taken up on or after 1-4-1956. Cost of development in these blocks would, therefore, be regarded as spillover from the first to the Second Five Year Plan.
1957-58	650	200	
1958-59	750	260	
1959-60	900	300	
1960-61	1,000	360	
TOTAL .	3,800 plus *172	1,120 plus *250	

As regards the year-wise phasing for each State, the suggestions made in Shri U. L. Goswami's D. O. letter No. CPA/13(4)/P/55 of 27-5-1955* may be considered.

3. The actual allotment of blocks (both Community Development and National Extension Service) to the various States would depend on the progress of work, peoples' response to the programme, and the availability of fully trained personnel and other relevant factors. In regard to the conversion of National Extension Service Blocks into Community Development Blocks, the intention is that no National Extention Service Block, which will have worked for a full period of three years, would remain unconverted, provided it has reached the level of performance considered suitable for the purpose. Actual allotment of Blocks will continue to be made by the Central Committee.

4. (1) The revised estimated expenditure for a three-year period in respect of a National Extension Service Block is Rs. 4 lakhs, and in respect of a Community Development Block is Rs. 12 lakhs, as shown in the schematic budgets given in Annexures B & C respectively. The provision for 'Other than loan' under the heads 'Irrigation' and 'Reclamation' in the schematic budgets is intended to provide for subsidy on private irrigation works. This subsidy will be shared between the Central and State Governments on the same terms as apply to the assistance under the Grow More Food Programme, and will be accounted for as indicated in this Administration's circular letters No. CPA/600/54-Bud., dated 4-8-1955 and 22-3-1956†.

*Please see Annexure D.

†Please see Annexures E. & F.

(2) The financial implications of the programme on the basis of the revised schematic budgets are indicated in Statements I, II & III appended to Annexure A. It will be observed therefrom that the total estimated cost during the Second Five Year Plan period amounts to Rs. 218 crores. After making an allowance of 7½ per cent as probable shortfall in expenditure and/or an efficiency cut, the cost of the programme during the Second Plan period is not likely to exceed Rs. 200 crores.

(3) The development blocks (both National Extention Service and Community Development) allotted towards the end of 1955-56 and in which work was started on or after 1-4-1956, will also operate on the basis of the revised budgetary pattern.

(4) The existing pattern of sharing non-loan expenditure between the Centre and the States, *viz.*, 50 : 50 in respect of recurring, and 75 : 25 in respect of non-recurring expenditure will continue during the Second Plan period.

(5) State Governments should also take into account the continuing liability in the form of recurring expenditure on personnel, to be retained on the National Extension Service pattern, in the Blocks which will have completed their scheduled period of operation. This expenditure, according to the accepted definition, is to be treated as 'committed' expenditure and not 'development' expenditure, and is *not* to be included in the cost of the development programme during the plan. It is to be met from the revenue budget. The additional expenditure in this regard is estimated at Rs. 33,000 per annum per block, of which 50 per cent will be borne by the Central Government. This pattern of assistance will continue in respect of the blocks taken up during the Second Plan period. The Central Government's share for all the States is subject to a ceiling of Rs. 6 crores a year in respect of all such blocks whether started in the First or in the Second Plan period.

(6) With regard to the Community Development Blocks which will complete their scheduled period of operation by September 1956, it has been agreed that savings, if any, may be utilised up to the end of March, 1957, though the blocks would have reverted to the National Extension Service staffing pattern at an earlier date. This expenditure will also be shared between the Central and State Governments in accordance with the prescribed pattern.

(7) In order to assist in keeping up the tempo of work in the Community Development Projects/Blocks on completion of the scheduled period of operation during the Second Plan, it has been decided to provide an additional expenditure of Rs. 30,000 per annum per block for a period of three years under two heads—

	Rs.
1. Local Works	25,000
2. Social Education	5,000

This expenditure will also be shared between the Central and the State Governments in the prescribed proportion. Separate accounts will have to be maintained and submitted to the Central treasury in due course. A separate *communication will follow in regard to the manner in which this grant is intended to be utilised.

*Please see Annexure I.

(8) State Governments may now please work out the year-wise cost of development on the revised budgetary pattern and in the light of the foregoing remarks, and furnish the same to this Administration by the 10th August, 1956.

Yours faithfully,

(Sd.) S. S. SHIVAPURI,

for *Deputy Secretary to the Government of India.*

Annexure A

COMMUNITY PROJECTS ADMINISTRATION

For the Development Commissioners' Conference,
Nainital.

Note on Agenda Item No. 3(*a*) :

Programme Planning—Review of the Scope and Pace of the programme, in view of the financial allocation of Rs. 200 crores provided in the Second Five Year Plan for the Community Development and National Extension Service Programme against an estimated requirement of Rs. 263 crores.

In September, 1955, the National Development Council considered a programme of Community Development in the Second Five Year Plan and reached the conclusion that in the Second Five Year Plan period the whole country should be covered with the National Extension Service and that not less than 40 per cent of the National Extension Service Blocks should be converted into Community Development Blocks. The question of converting a higher percentage up to 50 per cent of the National Extension Service Blocks into Community Development Blocks would depend upon sufficient resources becoming available for this purpose. The cost of development, as worked out by the Community Projects Administration on the basis of 50 per cent conversion would be about Rs. 284 crores, and that for 40 per cent conversion would be about Rs. 263 crores.

2. In December, 1955, when finalising financial allocations under various heads, the Planning Commission reconsidered the question in the light of the limitations of the overall resources available for the Second Five Year Plan and allocated Rs. 200 crores to the Community Development and National Extension Service Programme in the Second Five Year Plan. It was also then agreed that the question whether the Block budget for Community Development/National Extension Service should be adjusted, or the programme staggered, or additional resources found, could be examined by the National Development Council at a later stage in the light of the experience gained with regard to rate of progress, etc. This decision was communicated to Development Commissioners. The Community Projects Administration also informed the Planning Commission that a review of the scope and pace of the programme in view of the reduced financial allocation would be made in consultation with the Development Commissioners at the Development Commissioners' Conference to be held in May, 1956, and that thereafter it would be possible to indicate the State-wise break-up of the Rs. 200 crores allocated for this programme. This paper has accordingly been prepared and is submitted to the Development Commissioners for consideration.

3. After a careful consideration of all the relevant factors, it is proposed that the scope of the programme should remain as recommended by the National Development Council, namely, to cover the whole country with the National Extension Service and to convert 40 per cent of the National Extension Service Blocks into Community Development Blocks, in the Second Five Year Plan period. It is considered that the over-all financial allotment of Rs. 200 crores would be adequate for this purpose, provided some adjustments in the block-wise budgetary pattern is made, based on the experience gained in the actual working of the programme. It is accordingly suggested that the revised budget provision for a Community Development Block should hereafter be Rs. 12 lakhs, and for a National Extension Service Block Rs. 4 lakhs. On the basis of the revised budgets, the financial implications have been worked out. A set of three statements indicating phasing, cost of development, etc., has been prepared and is appended. Statement I summarises the overall position and Statements II & III give details. It will be seen that the total estimated cost during the Second Five Year Plan comes to Rs. 218 crores. After making an allowance of 7½% for probable shortfall in expenditure and/or an efficiency cut, as desired by the Planning Commission, the cost of the programme during the Second Plan period is not likey to exceed Rs. 200 crores.

4. Some of the salient features in the calculations involved are as follows :—

(*i*) 3,800 additional National Extension Service Blocks will be taken up during the Second Five Year Plan to cover the whole country, and 1,120 of these Blocks will be taken up for conversion as Community Development Blocks.

(*ii*) The programme of conversion has been so phased (*vide* Statement III) that no National Extension Service Block which will have worked for the full period of 3 years is likely to remain unconverted, provided only that it reaches a level of performance suitable for such conversion.

(*iii*) The blocks (both National Extension Service and converted Community Development) already allotted and in which work has started or will start on or after 1-4-1956 will operate on the revised budgetary pattern, *viz.*, Rs. 12 lakhs for Community Development and Rs. 4 lakhs for National Extension Service.

(*iv*) In order to assist in keeping up the tempo of work in the Community Development Blocks which will have completed their period of operation during the Second Five-Year Plan, a provision of Rs. 30,000 per annum per block (Rs. 5,000 for Social Education and Rs. 25,000 for Local Works) has been made for a period of 3 years (Item 9 of Statement I).

(*v*) An '*ad hoc*' provision of Rs. 5 crores has also been made for certain special items like model villages, sample surveys, pilot projects, research, publications etc. (Item 10 of Statement I).

(*vi*) The recurring expenditure on the National Extension Service staffing pattern for the blocks which would have completed their three-year period of operation is, according to the definition applied by the Planning Commission, to be treated as 'committed expenditure' and not 'development expenditure'. Costs on this account have, therefore, not been taken into consideration in these calculations.

Recommendations of the Conference on Item 3 (a) of the Agenda

The note prepared by the Community Projects Administration and the revised schematic budget patterns for National Extension Service and Community Development Blocks were discussed in great detail. The reduced Community Development budget of Rs. 12 lakhs was approved, with the change that provision under 'Irrigation and Reclamation' was revised from Rs. 3·50 lakhs to Rs. 4 lakhs, by reducing the provision under 'Housing' from Rs. 1·50 lakhs to Rs. 1 lakh. This re-adjustment was considered necessary in view of the high priority accorded by the National Development Council to increased agricultural production in the Second Five Year Plan. As regards the National Extension Service budget, most Development Commissioners felt that the budget provision would be inadequate for Irrigation and Housing. However, in view of the limitation of finance, the schematic budget pattern as worked out by the Community Projects Administration was reluctantly accepted as the only practical solution. As regard irrigation, it was suggested that in view of the importance of increasing agricultural production, the Planning Commission may be requested to explore the possibility of making a larger allocation for minor irrigation.

Regarding committed expenditure, it was understood that the maintenance expenditure on staff of Community Development/National Extension Service Blocks which will begin in April, 1956, and complete development phase during the Second Five Year Plan had not been taken into account in calculating the State Government's balances in revenue account. This will have to be provided for, though the amount is not likely to be of great magnitude.

With regard to the Community Development Blocks which will have completed their period of operation by September, 1956, it was recommended that the savings, if any, may be utilised up to March 1957, though the blocks would have reverted to the National Extension Service staffing pattern.

It was also recommended that there should be Block Level Extension Officer (Cottage Industries) for every National Extension Service Block. It was also agreed that, subject to the availability of suitable trained personnel, these officers should begin to be posted in the National Extension Service Blocks after the requirements of the Community Development Blocks have been fully met. The Cottage Industries Officer should belong to the Industries Department of the State Government but should be attached to the National Extension Service Block and form part of the team of Block Level Extension Officers headed by the Block Development Officer. The expenditure on this officer should be shared by the Centre (Ministry of Commerce and Industry) and the States on 50 : 50 basis, according to the usual pattern of assistance.

Statement I

SECOND FIVE YEAR PLAN

Community Development and National Extension Service Programme Cost of Development—Summary

	Rs. in crores
1. Total expenditure committed on the programme taken up in the First Five-Year Plan (excluding short-term credit)	96·5
2. Estimated expenditure during First Five Year Plan	55·0
3. Spill-over from the First Plan to the Second Plan (1—2)	41·5
4 Total expenditure committed on the programme to be taken up in the Second Five Year Plan	268·5
5. Expenditure falling during the Third Five Year Plan	104·6
6. Expenditure during Second Five Year Plan (4—5)	163·9
7. Expenditure during the 2nd Plan including spill-over from 1st to 2nd Plan (3+6)	205·4
8. Provision for Training Schemes directly administered by Community Projects Administration	2·5
9. Provision for Local Works and Social Education @ Rs. 25,000 and Rs. 5,000 respectively ; per annum for all Blocks which will have completed operation as Community Development Blocks during 2nd Five Year Plan (working sheet attached)	5·1
10. Provision for certain special schemes like model villages, sample surveys, pilot projects, research, publications etc.	5·0
11. Total expenditure during the Second Five Year Plan period (7+8+9+10).	218·0
12. Less 7½% probable short-fall in expenditure and/or efficiency cut . .	16·4
13. Net provision required to be made in the Second Five Year Plan (11—12) .	201·6
	or 200 crores (rounded)

Statement I

WORKING SHEET FOR ITEM 9 OF

Special Provision for Social Education and Local Works for completed Community Development Blocks during Second Five Year Plan

Year	No. of Blocks completing C.D. period	Period for which provision is required during 2nd Plan period	Cost during 2nd Plan at Rs. 30,000 per annum per Block (Rs. 25,000 for Local Works and Rs. 5,000 for Social Education)
1	2	3	4
1957	220	3 years	660 × Rs. 30,000
1958	150	3 ,,	450 × Rs. 30,000
1959	250	2 ,,	500 × Rs. 30,000
1960	200	½ year	100 × Rs. 30,000
	820		1,710 × Rs. 30,000
			= Rs. 5·13 crores

Statement II

SECOND FIVE YEAR PLAN

National Extension Service (Cost of Development)

Year	No. of Blocks	Cost during 2nd Five Year Plan Period
1	2	3
1956-57	*(172) 500	(Full *i.e.* for 172 Blocks)* (Full *i.e.* for 500 Blocks)
1957-58	650	Full *i.e.* for 650 Blocks
1958-59	750	{(5/6 × 375 = 313 Blocks) (2/3 × 375 = 250 Blocks)}
1959-60	900	(1/2 × 450 = 225 Blocks) (1/3 × 450 = 150 Blocks)
1960-61	1,000	1/6 × 500 = 83 Blocks
	3,800 (+172)	Cost of 2,343 (2,171+172) Blocks = Rs. 2,343 × 4 lakhs = Rs. 93·7 crores

NOTE.—It is assumed that N.E. S. Blocks will, as in the past, be allotted twice every year one instalment commencing operation on 2nd October and the other on 1st April.

*Allotted in 1955-56 but work started on or after 1-4-1956. Cost to be regarded as spill-over from the First Five Year Plan.

Analysis of cost :

	Rs. in crores
Loan	28·1
Non-loan	65·6
Recurring	32·8
Non-recurring	32·8
Share of Centre	69·1
Share of States	24·6
Balance of cost falling in the Third Five Year Plan period .	65·2

Statement III

SECOND FIVE YEAR PLAN

Additional cost on account of conversion of N. E. S. Blocks into Community Development Blocks

Year	No. of Development Blocks to be converted	Cost during the Second Plan period
1	2	3
1956-57	*(250)	(Full *i.e.* for 250 Blocks)*
1957-58	200	Full *i.e.* for 200 Blocks
1958-59	260	5/6 × 260 = 217 Blocks
1959-60	300	1/2 × 300 = 150 Blocks
1960-61	360	1/6 × 360 = 60 Blocks
	1,120 (+250)	Cost of 877 (627+250) Blocks = Rs. 877 × 8 lakhs = Rs. 70·2 crores

NOTE.—It is assumed that 2nd October every year will be the date of conversion of N.E.S Blocks into Community Development Blocks.

*Allotted in 1955-56 but work started on or after 1-4-1956. Cost to be regarded as spill-over from First Five Year Plan.

Analysis of cost :

	Rs. in crores
Loan	29.0
Non-loan	41.2
Recurring	14.5
Non-recurring	26.7
Share of Centre	56.2
Share of States	14.0
Balance of cost falling in the Third Five Year Plan .	39.4

Annexure B

Estimated Government Expenditure on a National Extension Service Block for a Period of 3 Years

(This budget is only intended as a guide and is to be adjusted according to local conditions under the powers delegated to State Governments.)

(Figures in lakhs of rupees)

Heads	Total	Recurring	Non-Recurring	Loan	Other than loan
1	2	3	4	5	6
I. Block Headquarters	..				
(a) Personnel*	1·00	1·00	..	..	1·00
(b) Transport† equipment furniture etc.	0·10	..	0·10	..	0·10
(c) Project Office, seeds store, Information Centre etc.	0·25	..	0·25	..	0·25
II. Animal Husbandry and Agricultural Extension‡	..	..	..	..	..
III. Irrigation IV. Reclamation	§0·75	..	0·75	0·60	0·15
V. Health and Rural Sanitation	0·40	0·10	0·30	..	0·40
VI. Education	0·40	0·10	0·30	..	0·40
VII. Social Education	0·20	0·20	..	..	0·20
VIII. Communications	0·30	..	0·30	..	0·30
IX. Rural Arts, Crafts and Industries‡	..	..	..	..	..
X. Housing for Project staff and Rural Housing	0·60	..	0·60	0·60	..
TOTAL	4·00	1·4[illegible]	2·60	1·20	2·80

*Please see page 16.

†Cost of a jeep procured in advance will be adjusted after a National Extension Service Block has been converted into Community Development Block. Till then the cost will be shown in Suspense Account.

‡Funds required in respect of schemes under heads II and IX are to be obtained from the respecitve departmental budgets provided for in the Second Five Year Plan. (See also Annexures G & H.)

§In National Extension Service Blocks, where there is scope for irrigation, State Governments have discretion to increase the provision under the head 'Irrigation' to Rs. 1·00 lakh by effecting cuts in other heads of the programme.

Analysis of cost :

	Rs. in lakhs
Cost of one N. E. S. Block	4·00
Share of Centre : 75% of Non-recurring non-loan expenditure, 50% of recurring expenditure, plus Rs. 1.20 lakhs loan	2·95
Share of State Government	1·05
Short term loans to agriculturists provided through Reserve Bank of India, Co-operative Societies and State Government, not included in the Block budget . .	3·00

NATIONAL EXTENSION SERVICE STAFFING PATTERN

	Rs. per annum
I. 1 Block Development Officer to assist the S. D. O. Rs. 300 per month (Scale Rs. 250—400)	3,600
II. Extension Officers—	
7 Extension Officers at an estimated average salary of Rs. 200 per month each	*14,400
(1) Agriculture (1).	
(2) Animal Husbandry (1).	
(3) Co-operation (1).	
(4) Villages & Small Scale Industries (1).†	
(5) Rural Engineering (Overseer) (1).	
(6-7) Social Education (S. E. O.) (2) (1 man and 1 woman).	
10 Gram Sevaks at an estimated average salary of Rs. 100 per month each	12,000
III. 1 Progress Assistant at Rs. 125 per month 1 Accountant-*cum*-Storekeeper 1 Cashier 1 Typist 3 Class IV staff	9,150
Maintenance of jeep, including pay of driver	3,500
Miscellaneous contingencies @ Rs. 200. p.m.	2,400
TOTAL FOR ONE YEAR	45,050

It is assumed that one fourth of the staff already exists. Therefore, the cost of additional staff required for one year . . Rs. 45·050—11·263

or Rs. 33·787

Cost of staff for three years . . . . . . Rs. 101·361

or Rs. 1 lakh (rounded)

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*Excludes the salary of Extension Officer for village and Small Scale Industries.

†The Extension Officer for Village and Small Scale Industries will form part of the Industries Department of the State Government. He will be attached to the N. E. S. Block and team up with the other Extension Officers headed by the Block Development Officer. The pay and allowances etc. of this officer will come within the terms of the pattern of assistance of the Union Ministry of Commerce and Industry (*i.e.* sharing expenditure on a 50 : 50 basis with the State Governments).

Annexure C

Estimated Government Expenditure on a Community Development Block (Basic Type) for a Period of three Years

(This budget is only intended as a guide and is to be adjusted according to local conditions under the powers delegated to State Governments.)

(Figures in lakhs of rupees)

Heads	Total	Rupee	Dollar	Recurring	Non-recurring	Loan	Other than loan
I. Block Headquarters.—							
(a) Personnel*	2·00	2·00	..	2·00	..	..	2·00
(b) Transport (3 jeeps) †	0·45	0·21	0·24	..	0·45	..	0·45
(c) Office equipment, furniture etc.	0·15	0·15	..	..	0·15	..	0·15
(d) Project Office, Seeds Store, Information Centre etc.	0·25	0·25	..	..	0·25	..	0·25
TOTAL	2·85	2·61	0·24	2·00	0·85	..	2·85
II. Animal Husbandry and Agricultural Extension Demonstration equipment	0·10	0·07	0·03	..	0·10	..	0·10
III. Irrigation } IV. Reclamation (including soil conservation, contour bunding etc.)	4·00	4·00	..	..	4·00	‡3·50	0·50

*Please see page 18.

†This includes the cost of one jeep procured in advance for a N.E.S. Block, which will be finally adjusted after the N.E.S. Block has been converted into Community Development Block.

‡Includes provision for rural electrification or any other self-financing scheme connected with agriculture.

Annexure C—*contd.*

(Figures in lakhs of rupees)

Heads	Total	Rupee	Dollar	Recurring	Non-recurring	Loan	Other than loan
V. Health and Rural Sanitation—							
(1) (a) Dispensary—recurring expenditure	0·20	0·20	..	0·20	..	..	0·20
(b) Dispensary building	0·10	0·10	..	..	0·10	..	0·10
(c) Dispensary equipment	0·10	0·10	..	..	0·10	..	0·10
(2) Drinking water supply	0·50	0·50	..	..	0·50	..	0·50
(3) Drainage and Sanitation	0·25	0·25	..	..	0·25	..	0·25
TOTAL	1·15	1·15	..	0·20	0·95	..	1·15
VI. Education	0·70	0·70	..	0·20	0·50	..	0·70
VII. Social Education (including audio-visual aids and women, youth and children's programmes)	0·70	0·54	0·16	0·40	0·30	..	0·70
VIII. Communications	1·00	1·00	..	..	1·00	..	1·00
IX. Rural Arts, Crafts and Industries	0·50	0·50	..	0·25	0·25	..	0·50
X. Housing for Project Staff and Rural Housing	1·00	1·00	..	..	1·00	1·00	..
GRAND TOTAL	12·00	11·57	0·43	3·05	8·95	4·50	7·50

Analysis of cost :

		Rs. in Jakhs
(*i*)	Cost of one Community Development Block . .	12·00
(*ii*)	Share of Centre : 75 % of Non-recurring non-loan expenditure, 50% of recurring expenditure plus Rs. 4.50 lakhs loan	9·36
(*iii*)	Share of State Government	2·64

STAFFING PATTERN FOR A COMMUNITY DEVELOPMENT BLOCK

		Cost for three years Rs.
I.	Personnel as in N. E. S. Block	1,00,000
II.	Plus the following additional personnel :	
	2 Gram Sevikas at Rs. 100 p.m. each	7,200
	2 Stockmen (Veterinary) at Rs. 90 p.m. each	6,480
	2 Messengers (Veterinary) at Rs. 50 p.m. each	3,600
	1 Medical Officer at Rs. 300 p.m.	40,860
	1 Compounder at Rs. 100 p.m.	
	1 Sanitary Inspector at Rs. 125 p. m.	
	1 Lady Health Visitor at Rs. 150 p. m.	
	4 Midwives at Rs. 90 p. m. each	
	2 Sweepers at Rs. 50 p. m. each	
	Ministerial Staff :	
	1 Senior Clerk at Rs. 100 p. m.	40,680
	1 Class IV servant at Rs. 50 p. m.	
	2 Drivers at Rs. 90 p. m. each	
	TOTAL . Rs. 330 p. m.	
	T. A., Recurring expenditure such as petrol, stationery, postage, contingencies, etc., at Rs. 800 p. m.	
		1,98,820
		i.e Rs. 2 lakhs (rounded)

Annexure D

D. O. No. CPA/13(4)/P/55

GOVERNMENT OF INDIA

COMMUNITY PROJECTS ADMINISTRATION

27*th* *May*, 1955.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATE GOVERNMENTS (EXCEPT N.E.F.A.)

SUBJECT.—*Expansion of the National Extension Service and the Community Development Programme during the Second Five Year Plan period.*

MY DEAR,

Will you please refer to letter No. CPA/163/36/54-P, dated November 13, 1954, on the above subject? Column 13 of Annexure I to this letter gives a tentative indication of the number of National Extension Service Blocks allottable during the Second Five Year Plan period.

At the recent Development Commissioners' Conference at Simla, some Development Commissioners wished to know Community Projects Administration's views regarding the phasing of the programme from year to year during the Second Plan period. Purely for purposes of forward planning, the Community Projects Administration has attempted to work out such a phased programme. A statement indicating this is attached. This is to be regarded as a purely tentative statement prepared as a guide to enable the State Governments to frame their own proposals for inclusion in the Second Five Year Plan, having regard to their personnel and resources position. The actual allotment of National Extension Service Blocks, as well as the number to be converted into Community Development Blocks will remain to be decided every year by the Central Committee on the basis of the availability of fully qualified and trained personnel, progress already made in the programme, people's participation, as well as all other relevant factors.

It may please be noted that, as has already been indicated in the letters issued by the Planning Commission, the *total cost* of the programme in the Second Five Year Plan period should be included in the State's Plan. This is without prejudice to the decision that is to be reached regarding the pattern of financial assistance by the Centre to the States.

Yours sincerely,

(Sd.) U. L. GOSWAMI.

SECOND FIVE YEAR PLAN

COMMUNITY DEVELOPMENT PROGRAMME

Year	No. of N.E.S. Blocks allottable	No. of Blocks to be converted into C.P. Blocks	REMARKS
1956–57 . . .	500	250	This represents the balance of allotment from the First Five-Year Plan)
1957–58 . . .	650	250	
1958–59 . . .	750	325	
1959–60 . . .	900	375	
1960–61 . . .	1,000	450	
April 1961 . . .	..	500	Strictly speaking these all in the Third Plan period.
TOTAL .	3,800	1,900	

NOTE :—

1. On the above basis, the number of National Extension Service Blocks allottable to each State every year may be expressed in a general formula somewhat as follows :—

1956–57 . . . . $\frac{5}{38} \times 98$

1957–58 . . . . $\frac{6 \cdot 5}{38} \times$

1958–59 . . . . $\frac{7 \cdot 5}{38} \times$

1959–60 . . . . $\frac{9}{38} \times$

1960–61 . . . . $\frac{10}{38} \times$

where "×" represents the total number of blocks allottable to the State during the Second Plan period.

The number convertible into Community Project Blocks may be assumed as half the number of the National Extension Service Blocks allotted during the previous year.

2. It may please be noted that no National Extension Service Block will be allotted to a State unless it is ensured that fully trained gram sevaks of the required number are available, having one year's basic training in agriculture and a further six months' extension training.

Annexure E

No. MCD-1(1)/Bd/56

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, 3rd October, 1956.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATES.

SUBJECT.—*Community Development and National Extension Service Programme—Irrigation Loans—Subsidy for Minor Irrigation Schemes during the Second Plan period.*

SIR,

In this Ministry letter No. CPA/600/54-(Bud), dated the 4th August, 1955, approval was conveyed to the grant of subsidy at 25% of the total cost of private minor irrigation schemes sanctioned under the Community Development & National Extension Service programme during the First Plan period. The period of the concession was, however, restricted up to 31st March, 1956 *i.e.*, the end of the First Plan period, mainly because the development programme for the Second Five Year Plan had not been finalised at the time, and a decision in regard to continuance of the subsidy under the G.M.F. during the Second Plan period had not been taken. These matters have since been settled and the grant of subsidy for private irrigation works financed from the budgets of the Community Development and National Extension Service blocks taken up during the Second Plan has been allowed *vide* para 4(*i*) of this Ministry letter No. CPA/13/18/P/56, dated 10-7-1956.

2. As the Community Development and National Extension Service Blocks taken up during the First Plan period will continue to operate during the Second Plan for some time, a question has been raised whether these blocks would continue to be eligible for the irrigation subsidy up to the period they are in operation during the Second Plan. The matter has been considered and in order to avoid any disparity in this regard between the blocks taken up during the First & Second Plans, it has been decided that the subsidy for private irrigation works allowed to the projects and blocks of the First Plan period, *vide* this Ministry, letter dated 4-8-1955 quoted above, will continue to apply to them up to the full period of their operation covering both the intensive and the extensive phase of development, and irrespective of the expiry of the First Plan period.

Yours faithfully,

(Sd.) S. S. SHIVAPURI,

Under Secretary to the Government of India.

Annexure F

No. 1(8)/Bd/57

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, September 26, 1957.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATE GOVERNMENTS

SUBJECT.—*Community Development and N.E.S. Programme—Subsidy for all Schemes relating to the Development of Agriculture.*

SIR,

Under the existing arrangements, a subsidy amounting to 25% of the loan expenditure incurred from the N.E.S. and C.D. Block budgets on private minor irrigation schemes, is admissible on the same terms and conditions as are applicable to the G.M.F. The principle of subsidy was introduced in order to bring about uniformity in the pattern of Central financial assistance for private minor irrigation schemes taken up under the two programmes. In view of the highest priority accorded to the development of agriculture in the Second Five Year Plan, the matter has been carefully reviewed and it has been decided that Central financial assistance to the States under the C.D. & N.E.S. Programme for all schemes relating to the development of agriculture (including animal husbandry, irrigation, reclamation, soil conservation, and fisheries etc.) will hence forward be allowed on the same terms and conditions as are applied to the G. M. F. and other similar schemes sponsored by the Ministry of Food & Agriculture. This is subject to the condition that the total 'Other than loan' expenditure as also the overall Central share of expenditure in respect of each N.E.S. & C.D. Block will not be allowed to exceed the overall ceilings laid down in the schematic budgets. It has also been decided that the existing decentralised procedure regarding approval of schemes under the C. D. and N.E.S. Programme will be continued, *i.e.*, individual schemes drawn up by the State Governments will not be referred to this Ministry for examination and approval.

2. The procedure for payment of Central share of the subsidy on minor irrigation schemes, as indicated in this Ministry's letter No. CPA/600/54-(Bud.) dated, 22-3-1956 & No. CPA-1/1/Bd/56, dated the 5th October, 1956, will also apply *mutatis mutandis* to the subsidies for other schemes now allowed.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Sd.) S. S. SHIVAPURI,

Under Secretary to the Government of India.

Annexure G

No. MCD-1/2/Bd/56

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, January 31, 1957.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATE GOVERNMENTS

SUBJECT.—*Programme for Agriculture in N.E.S & C.D. Blocks—Financial Provision therefor in the schematic budget.*

SIR,

Please refer to para 1 of this Ministry's letter No. MCD/1(19)/P/56, dated November 1, 1956, wherein it was recommended *inter alia* that the funds provided for 'Agriculture and Animal Husbandry' and 'Irrigation and Reclamation' in the block budgets should not be diverted to other heads of the programme.

2. As the State Governments are no doubt aware, no provision has been made under the head 'Agriculture Extension & Animal Husbandry' (except a small amount of Rs. 10,000 for demonstration equipment in the Community Development Block budget) in the revised schematic budgets for Community Development & National Extension Service Blocks adopted for the Second Plan period. The intension was that the Agriculture and Animal Husbandry schemes of the Union Ministry of Agriculture as well as those of the State Governments included in the Second Five Year Plan would be applied to the maximum extent possible in the Community Development and National Extension Service areas.

3. During discussions held last year by the Planning Commission with the representatives of the State Governments regarding increased agricultural production, it was again emphasised that the agency of National Extension Service & Community Development should be utilised to the maximum extent possible to achieve the object in view. This matter was also discussed in the recent meeting of Development Commissioners and Secretaries of the State Departments of Agriculture held in New Delhi, on 10th and 11th December, 1956, and certain recommendations have been made regarding the role which the personnel of National Extension Service and Community Development Blocks have to play in securing increased agriculture production.

4. In this connection, some of the State Governments have pointed out that in the absence of any specific provision for agricultural development in the block budgets, they are finding it extremely difficult to effectively undertake the agricultural programme and have emphasised the need for

Annexure G

No. MCD-38(2)/Bd/56

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, January 11, 1957.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATE GOVERNMENTS (EXCEPT N.E.F.A.)

SUBJECT.—*Accounting arrangements and financial procedure for payment of the Centre's share of 'Committed' expenditure and 'Development' expenditure during post-intensive phase in the Second Plan period.*

SIR,

Please refer to para 5 of this Ministry's Circular letter No. CPA/13(18)/P/56, dated the 26th January, 1956, on the above subject.

2. The accounting arrangement and financial procedure for payment of the Centre's share in respect of 'Committed' expenditure on staff and 'Development' expenditure during post-intensive phase from the *ad hoc* provision of Rs. 30,000 per annum per block in the Second Plan period will be as under :—

(*i*) For purposes of accounting 'Committed' expenditure on personnel referred to in para 4(5) of this Ministry's letter No. CPA/13(18)/P/56, dated 10-7-1956, which also includes recurring expenditure that will continue to be incurred during the intensive period on personnel retained on N.E.S. pattern in the converted Community Development Blocks after their conversion, will be treated as expenditure on N.E.S. and charged in the accounts to a new minor head to be opened under the sub-major head 'N.E.S.' of the Major head '63-B' which will be intimated in due course to all the State Governments by the Ministry of Finance. The procedure for payment of Centre's share in respect of this expenditure will be the same as for normal development expenditure on N.E.S. Programme except that no *ad hoc* advance will be allowed in this case, and such payments will be sanctioned by this Ministry, as usual, on the basis of half-yearly certified statement of expenditure to be rendered by the State Governments in accordance with the instructions contained in sub-para (*iii*)(*a*) and (*c*) below. The payment of Centre's share will, however, be restricted to the ceiling prescribed in para 4(5) of this Ministry's letter of 10-7-1956 referred to above *i.e.* it will not exceed the limit of Rs. 16,500 per annum per block in respect of any individual State as also the overall amount of Rs. crores a year in respect of all such blocks whether started in the First or in the Second Plan period and for all the States.

Annexure H

No. 1 (13)/Bd/57

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, 14th October, 1957.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATE GOVERNMENTS AND UNION ADMINISTRATIONS.

SUBJECT.—*Cottage and Village Industries—Provision of Rs. 10,000 at the N.E.S. stage—Communicated.*

SIR,

The Sixth Development Commissioners' Conference held at Mussorrie in April, 1957 felt that allotment of some funds for the programme of cottage and small scale industries was necessary at the N. E. S. stage of development and recommended that a provision of Rs. 10,000 be made in N.E.S. block budget for the purpose, *vide* item II(*e*)(2) of the Main Recommendations and Conclusions. The matter has been carefully considered and it has been decided that an additional provision up to Rs. 10,000 could be made on an *ad hoc* basis in each N.E.S. block budget, over and above the schematic ceiling of Rs. 4 lakhs, with the prior sanction of this Ministry, subject to the following conditions :—

(*i*) that a trained Extension Officer for industries is posted exclusively in the block/blocks concerned as envisaged in the schematic budget of N.E.S. (*vide* p. 16 Pink Pamphlet);

(*ii*) that there is scope for a definite programme of work for cottage and village industries to be implemented on the provision of additional funds;

(*iii*) that the programme of work and individual schemes drawn up by the State Governments will be examined and approved by the Ministry of Community Development, before sanctioning additional funds; and

(*iv*) that the additional amount hereby authorised will, on conversion of the block for intensive development, be adjusted from within the 'other than loan' provision of Rs. 50,000 available under the head 'Rural Arts, Crafts & Industries' in the schematic budget of a Community Development block.

It is, therefore, requested that cases of individual N.E.S. blocks, for which additional funds for cottage and village industries are required, may now be examined and concrete proposals giving requisite information as indicated above, including the names of the blocks concerned, may please be submitted to this Ministry for further necessary action.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Sd.) S. S. SHIVAPURI,
Under Secretary to the Government of India.

in the 'Completed' or 'Converted' Blocks, indicating therein separately the total number of blocks completed or converted on any date as well as the date of such completion or conversion and the aggregate expenditure incurred during the half year as well as progressive expenditure to end of that half year against each such category of blocks. Only 'Other than Loan' (recurring) expenditure will be exhibited in this statement. Further, to distinguish this expenditure from the 'Development' expenditure the statement will be suitably headed as "Certified Statement of 'Committed' expenditure on Staff".

(*b*) In the case of expenditure on 'Local Works' & 'Social Education', however, a separate consolidated certified statement will be prepared in respect of each year-wise series of the C.D. Projects/Blocks, showing the expenditure incurred during the half year as well as progressive expenditure to end of the half year under the heads 'Local Works' & 'Social Education', the former head being further sub-divided under the respective Minor heads namely 'Health & Rural Sanitation', 'Communications' & 'Education'. Only 'Other than Loan' expenditure under recurring and non-recurring categories will be exhibited in this statement. To distinguish this 'Development' expenditure from that incurred during the intensive phase this statement will also be suitably headed as "Certified Statement of 'Development' expenditure during Post-intensive Phase".

(*c*) For the sake of uniformity the statements referred to in sub-paras (*a*) & (*b*) above may be submitted by the State Governments in the enclosed proformas 'A' & 'B'.

(*iv*) For purposes of control over expenditure, Programme & Budget Estimates in respect of both 'Committed' expenditure on staff and 'Development' expenditure during the post-intensive phase may be prepared, as usual, showing necessary details of the expenditure in each case, and approved either by the State Governments themselves or by the authorities to whom powers may be delegated by them in this regard. Copies of approved programme and budget estimates may also be furnished to the State Accountant General as well as this Ministry.

(*v*) As regards provision for such expenditure in the annual appropriation budgets of the State Government, 'Committed' expenditure which is not to be included in the 'Plan' expenditure will be provided for in their normal Revenue Budget under the head referred to in sub-para (*i*) above, while 'Development' expenditure which is to be included in the 'Plan' expenditure will be provided for in their Plan Budget under the heads referred to in sub-para (*ii*) above. The 'receipts' on account of Centre's share of expenditure as grant-in-aid will, as usual, be provided for under the corresponding Receipt heads in the Revenue and Plan Budgets of the State Government to which such receipts are correctly creditable in the accounts.

3. The receipt of this circular letter may please be acknowledged.

Encl. : Two Proformas.

Yours faithfully,

(Sd.) S. S. SHIVAPURI,

Under Secretary to the Government of India.

(*ii*) As regards 'Development' expenditure during post-intensive phase *viz.* expenditure on 'Local Works' and 'Social Education', such expenditure will also be treated as expenditure on N.E.S. and accounted for accordingly under the respective minor heads of the sub-major head 'N.E.S.' subordinate to the major head '63-B'- *viz.* 'Health & Rural Sanitation' or 'Communications' or 'Education' as the case may be in the former case and 'Social Education' in the latter case [*vide* Ministry of Finance's letter No. F. 1(144)—B/54, dated 12-9-1955]. The procedure for payment of Centre's share in respect of this expenditure will also be the same as for expenditure on N.E.S., *i.e.*, an *ad hoc* advance of Rs. 10,000 per block will initially be paid to the State Government for the total number of blocks into which the completed Community Development Projects/Blocks are split up on normalisation. This advance will be recouped once every six months on the basis of half-yearly certified statements of expenditure to be rendered by the State Governments in accordance with the instructions contained in sub-para (*iii*)(*b*) & (*c*) below. For this purpose, the State Governments may intimate the number of blocks into which each Community Development Project/Block is split up on normalisation with necessary details as soon as possible, to enable this Ministry to sanction the necessary *ad hoc* advance. The payment of Centre's share to be made on the basis of certified statement of expenditure will be restricted to the ceilings prescribed in para 4(7) of this Ministry's letter of 10-7-1956 referred to above *viz.* 75% of expenditure on 'Local Works (which will be of a non-recurring nature) and 50% of expenditure on 'Social Education' (which will be of a recurring nature) subject to the limits of Rs. 18,750 per annum per block in the former case and Rs. 2,500 per annum per block in the latter case. In view of the fact that the State Governments have been allowed to utilise savings up to the end of March, 1957 in respect of C. D. Projects/ Blocks that have completed their scheduled period of operation by September, 1956 (or earlier), *vide* para 4(6) of this Ministry's aforesaid letter of 10-7-1956, it has been decided that this assistance will be available from 1-10-1956, only to those States that have spent the entire 'Other than loan' funds up to 30-9-1956, in respect of such Projects/Blocks and in all other cases it will be allowed with effect from 1-4-1957. Further, the State Governments will be entitled to this assistance for a period of 3 years only from the date it is availed of *viz.* 1-10-1956, or 1-4-1957, as the case may be. State Governments are, therefore, requested to intimate the progressive 'Other than Loan' expenditure actually incurred to end of September, 1956 as also the approved overall ceilings therefor exclusive of dollar and incidental rupee expenditure on equipment (which is adjustable separately on the basis of allocation sheets) separately in respect of completed C.D. Projects/Blocks of 1952-53 and 1953-54 series to enable this Ministry to decide from which date the assistance in respect of the development expenditure during post-intensive phase will be available to them. For this purpose the figures of actual expenditure to end of September 56 to be intimated by the State Governments should agree with those as per certified statement of expenditure for the same period.

(*iii*) (*a*) A separate consolidated certified statement of expenditure for the State as a whole will be prepared in respect of 'Committed' expenditure incurred on personnel retained on N.E.S. pattern

B—Amount of Centre's share due from the Central Government (*vide* details in Part B)

Grant-in-aid . . . . Rs.

NOTES.—1. The expenditure statement should be rendered for the State as a whole indicating separately the total number of Blocks in respect of which staff on N.E.S. pattern has been retained.

2. As soon as the audited figures of expenditure become available, they should be taken into account in indicating the progressive expenditure.

3. This statement includes the audited figures up to the period ending..............

PART B

Grant-in-aid
Rs.

1. Central Government's share of the expenditure actually incurred up to the half year ending ...... [*vide* A(1) In Part A of the Statement] . . . .

2. Amount of Centre's share already sanctioned by the Central Government up to the half year ending. . . . .

3. Amount of Centre's share due from the Central Government for the half year ending...... (Item 1 minus Items 2) . .

Development Commissioner.

PROFORMA 'A'

PART A

Certified statement of Committed' expenditure on Staff

Name of State.................. Statement for the half year ending.................... (Figures in thousands of rupees)

Year-wise series of completed C. D. Projects/Blocks or of N.E.S. Blocks converted into C. D. Blocks	Particulars of Blocks: No. of Blocks for purposes of 'Committed' expenditure	Particulars of Blocks: Date of completion of scheduled period of operation (in case of C.D. Projects/Blocks) or of conversion into C. D. Blocks (in case of N. E. S. Blocks)	Expenditure incurred during the half year. Other than loan (Recurring) Rs.	Progressive expenditure incurred to end of the half year. Other than loan (Recurring) Rs.	REMARKS
(1) C. D. Projects—52-53 series.					
(2) C. D. Blocks—53-54 series					
(3) N. E. S. Blocks—					
53-54 series					
54-55 ,,					
55-56 ,,					
56-57 ,,					
57-58 ,,					
TOTAL					

A—Allocation of progressive expenditure between the Central and State Governments.

(1) Grant-in-aid by Centre . . . . Rs.

(2) State's share . . . . Rs.

B—Amount of Centre's share due from the Central Government (*vide* details in Part B):

Grant-in-aid . . . . Rs.

NOTES.—1. The expenditure statement should be rendered for the State as a whole separately for each year-wise series, indicating the total number of Blocks for purposes of 'Development' expenditure during Post-intensive Phase.

2. As soon as the audited figures of expenditure become available, they should be taken into account in indicating the progressive expenditure.

3. This statement includes the audited figures up to the period ending..............

PART B

Grant-in-aid
Rs.

1. Central Government's share of the expenditure actually incurred up to the half year ending.......[*vide* A(1) in Part A of the Statement] . . . .

2. Amount of Centre's share already sanctioned by the Central Government up to the half year ending..................

3. Amount of Centre's share due from the Central Government for the half year ending.........(Item 1 minus Item 2) .

Development Commissioner.

PROFORMA 'B'

PART A

Certified Statement of 'Development' expenditure during Post-intensive Phase

Statement for the half year ending..............

Name of State...............

Projects/Blocks allotment series..............

No. of Blocks for purposes of 'Development' expenditure during post-intensive phase.......

Date of commencement of the post-intensive phase............

(Figures in thousand of Rs.)

Serial No.	Heads	Expenditure incurred during the half year — Other than Loan			Progressive expenditure incurred to end of the half year — Other than Loan			REMARKS
		Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	
1	Local works—							
	(*a*) Health & Rural Sanitation							
	(*b*) Communications .							
	(*c*) Education . . .							
	(*d*) Total Local Works . .							
2	Social Education . . .							
	GRAND TOTAL .							

A—Allocation of expenditure between the Central and State Governments.

(*i*) Grant-in-aid by the Centre . . . . . Rs.

(*ii*) State's share . . . . . . Rs.

For the second and third years, i.e., 1957-58 & 1958-59.	The scale of people's contribution will be 3/4th of the total cost and Government's contribution will be restricted to 1/4th.

In regard to Government's expenditure, this will be shared between the Central and State Governments in the prescribed proportion.

(*iii*) The provision be utilised on non-recurring items of expenditure falling under the heads 'Rural Health' and 'Sanitation' and 'Communications' and, where absolutely necessary for special reasons, 'Education' also. Having regard to the small amount of the grant, it would be desirable to lay down a suitable ceiling for Government expenditure, *e.g.*, Rs. 500 to Rs. 1,000 for individual items of work.

Social Education:

The entire provision should be utilised on recurring items of expenditure. No part thereof should be used for putting up buildings or purchase of expensive equipment.

2. In these areas, preference should be given to villages which have not so far benefitted from the Community Development programme.

3. In the actual utilisation of this grant, the maximum stress should be on *utility*.

4. It is requested that the State Governments will bear in mind the above suggestions, and forward copies of the approved programme for each block to this Administration for information and comments, if any. The receipt of this letter may kindly be acknowledged.

5. A further communication* will be sent, after consulting the Ministry of Finance, regarding the accounting arrangement and financial procedure for payment of the Central Government's share in respect of these two items as well as the recurring expenditure on the staff of the National Extension Service pattern retained after completion of the project period in these Development Blocks.

Yours faithfully,

(Sd.) R. JAGANNATHAN,

Deputy Secretary.

354.5

*See Annexure G.

GIPN—S1—5 M. of C. D./57—24-2-58—10,000

No. CPA/13(18)/P/56

GOVERNMENT OF INDIA

COMMUNITY PROJECTS ADMINISTRATION

New Delhi July, 26, 1956.

To

THE DEVELOPMENT COMMISSIONERS
OF ALL STATE GOVERNMENTS (EXCEPT N.E.F.A.)

SUBJECT.—*Community Development and National Extension Service Programme during Second Five Year Plan—Provision for Local Works and Social Education for Community Development Projects/Blocks after Completion of their Scheduled Period of Operation.*

SIR,

Will you please refer to paragraph 4(7) of this Administrations's letter No. CPA/13(18)/P/56, dated July, 10, 1956, on the above subject? The question with regard to the manner in which the provision of Rs. 30,000 per block for 'Local Works' and 'Social Education' made in the Second Five Year Plan should be utilised, has now been considered and the following suggestions are made :—

Local Works :

(*i*) The provision of Rs. 25,000 should, as a rule, be utilised through the agency of Panchayats and other local bodies. No part of the provision should be spent through the departmental agency. In these areas peoples' participation has already been established as the method of community development and Panchayats are intimately connected with the formulation of plans for their respective areas. Funds out of this provision should, accordingly, be placed at the disposal of the Panchayats for programmes to be planned as well as executed by them. This procedure will be in accordance with the recommendations made by the Fifth Development Commissioners' Conference at Nainital, *vide* paragraph 5(a) of the list forwarded with Community Projects Administration letter No. CPA/21(4)/P/56, dated June 9, 1956. Where, however, owing to the absence or ineffectiveness of Panchayats, it is proposed to utilise the funds through the agency of *ad hoc* bodies with no legal status, the Block Advisory Committee should be consulted in regard to the allocation of grants-in-aid to those bodies for actual schemes.

(*ii*) The scale of voluntary contribution from the people for each item of work should be laid down as follows :—

For the first year, i.e., 1956-57.	2/3rd of the total cost should be contributed by the people by way of cash, labour and material, and Government's contribution will be restricted to 1/3rd of the total cost.

some financial provision being made for the purpose. The matter has, therefore, been carefully reviewed and having regard to the highest priority accorded to increased agricultural production in the Second Plan, it has been decided to provide some funds for 'Animal Husbandry and Agriculture Extension' in the Block areas by re-appropriation from other heads of the schematic block budgets as indicated below :—

(i) *National Extension Service Block.*—An amount up to a ceiling limit of Rs. 10,000 may be provided in the schematic budget under the head 'Agriculture Extension and Animal Husbandry' by diversion of a sum up to Rs. 5,000 each from the existing provisions under the heads (*a*) 'Education' and (*b*) 'Communications'. This would leave a sum of Rs. 35,000 and Rs. 25,000 for 'Education' and 'Communications' respectively.

(ii) *Community Development Block.*—An additional amount up to a ceiling limit of Rs. 10,000 may be provided in the schematic budget under the head 'Animal Husbandry and Agriculture Extension' by diversion of the sum from the existing provision under the head 'Communications'. This would thus leave Rs. 90,000 for 'Communications'.

5. It is requested that State Governments may kindly make necessary financial provisions while framing three-year-budget estimates of all blocks taken up during the Second Plan period.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Sd.) S. I. KHURANA,

Deputy Secretary to the Government of India.

For the second and third years, i.e., 1957-58 & 1958-59.	The scale of people's contribution will be 3/4th of the total cost and Government's contribution will be restricted to 1/4th.

In regard to Government's expenditure, this will be shared between the Central and State Governments in the prescribed proportion.

(*iii*) The provision be utilised on non-recurring items of expenditure falling under the heads 'Rural Health' and 'Sanitation' and 'Communications' and, where absolutely necessary for special reasons, 'Education' also. Having regard to the small amount of the grant, it would be desirable to lay down a suitable ceiling for Government expenditure, *e.g.*, Rs. 500 to Rs. 1,000 for individual items of work.

Social Education:

The entire provision should be utilised on recurring items of expenditure. No part thereof should be used for putting up buildings or purchase of expensive equipment.

2. In these areas, preference should be given to villages which have not so far benefitted from the Community Development programme.

3. In the actual utilisation of this grant, the maximum stress should be on *utility*.

4. It is requested that the State Governments will bear in mind the above suggestions, and forward copies of the approved programme for each block to this Administration for information and comments, if any. The receipt of this letter may kindly be acknowledged.

5. A further communication* will be sent, after consulting the Ministry of Finance, regarding the accounting arrangement and financial procedure for payment of the Central Government's share in respect of these two items as well as the recurring expenditure on the staff of the National Extension Service pattern retained after completion of the project period in these Development Blocks.

Yours faithfully,

(Sd.) R. JAGANNATHAN,

Deputy Secretary.

354.540

*See Annexure G.

GIPN—S1—5 M. of C. D./57—24-2-58—10,000